

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2007 (P.92/2006): FOURTH AMENDMENT

**Lodged au Greffe on 29th August 2006
by Senator B.E. Shenton**

STATES GREFFE

ANNUAL BUSINESS PLAN 2007 (P.92/2006): FOURTH AMENDMENT

In paragraph (a)(viii) after the words “pages 94 and 95 of the Annex” insert the words –

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“except that in Objective 1, on page 94 of the Annex, for the words “*Winter fuel payment for pensioners introduced in 2007*” substitute the words –

- *Agreement reached by the Council of Ministers on an appropriate reallocation of expenditure within existing States expenditure limits by February 2007 to fund a new winter fuel payment for pensioners, with the scheme introduced by April 2007.”*

SENATOR B.E. SHENTON

REPORT

Extract from draft Annual Business Plan 2007 – page 29

“In respect of each proposal, in particular the winter fuel payment scheme, the States will need to decide the level of the proposed scheme and how it is to be funded. The current priority for Social Security is to develop and present the new income support scheme to the States in line with the agreed timetable. Analysis of the different options for a winter fuel payment scheme, the corresponding range of savings, service reductions or tax raising measures will require significant work. Proposals for a winter fuel payment scheme will be presented to the States in November together with funding options. Once the States has agreed a scheme the necessary law will be drafted and brought to the States for decision in 2007. The scheme can therefore be implemented as soon as the law is in force.

However, the Council of Ministers has the authority to transfer funds between departments during 2007 and this would enable these initiatives, and any emerging pressures, to progress at the earliest opportunity once a States decision is made. The funding adjustment would then be permanently incorporated in departments’ funding levels for the Annual Business Plan 2008.”

Extract from Annex to draft Annual Business Plan – Page 94

“The States agreed in principle, through an amendment to the Strategic Plan, the introduction of Winter Fuel Allowances for pensioners. The Department will, later in 2006, bring forward options for such a scheme to be introduced in 2007, subject to resources being made available.”

Strategic Plan 2006 – 2011 – 6th amendment

“2.2.5 Introduce in early 2007 a winter fuel payment, based on the UK system, for all pensioners resident in Jersey (SOC SEC).”

When I was younger I would visit my father in his office at the docks. Written on the wall of the office was a motto – “It can be done”. I think it would be a good idea for the Council of Ministers to adopt this motto – all they would have to do is remove an apostrophe and a ‘t’ from their current motto!

The Council of Ministers has an obligation to ensure that the policies detailed in the Strategic Plan are implemented – yet they have failed to incorporate an allocation of resources in the Business Plan to implement this important measure. Perhaps looking after the elderly takes a lower importance in the eyes of the Ministers than expensive re-branding, hiring second-rate celebrities at inflated prices, feathering their own nest with pay rises, and giving a million pounds to Jersey Finance.

Despite a commitment to implement the Winter Fuel Allowance the exclusion from the Business Plan speaks volumes in respect of its perceived importance. Whilst accepting that it still requires debate and detail there should be no doubt that it is a vitally important piece of legislation. It is expensive to live in Jersey, and the Government of Jersey is very expensive. The proposed fiscal changes will, in my opinion, raise more revenue than predicted though greater taxation of the individual. It will be interesting to see whether we have a gradual reduction in the number of public sector employees.

The proposal will provide a short-term workload that can be covered on a temporary basis. If the allowance is not means-tested there will be little additional administration cost going forward. Means-testing will increase distribution costs, exclude a high proportion of the needy that are too proud to claim, and favour the reckless over the prudent saver.

Financial and manpower implications

It is estimated that an officer will be required for approximately 6 months to support the Social Security Department in this task. This could be managed as a secondment opportunity. The staffing cost is estimated at £30,000 (based on Grade 11 post) plus £2,000 minor administrative costs. This amount would need to be

submitted to the Minister for Treasury and Resources, to identify the source of funding, and any unspent funds would be returned.